MEDDAC Reg 40-400

DEPARTMENT OF THE ARMY
US ARMY MEDICAL DEPARTMENT ACTIVITY
Ft Leavenworth, Kansas 66027-2332

MEDDAC Regulation 13 March 2003
No. 40-400

Medical Services

Management of Patients in an Observation Status

1. PURPOSE. To identify the requirements that must be incorporated by this facility for treating patients in an observation or minimal care status. To delineate the available hours of operation for observation patients and the responsibilities of each member of the health care team. This regulation applies to all members of the US Army Medical Department Activity (MEDDAC) Fort Leavenworth Kansas.

2. REFERENCES. Required and related publications, prescribed and referenced forms are listed in appendix A.

3. EXPLANATION OF ABBREVIATIONS AND TERMS. Abbreviations and special terms used in this regulation are explained in the glossary.

4. RESPONSIBILITIES.

a. The US Army Medical Department Activity (MEDDAC) Commander has overall responsibility for administration of this regulation.

b. The Deputy Commander for Nursing has responsibility for implementation.

c. The health care providers (HCP) will be responsible to determine whether the patient should be placed in an observation status.

d. The nursing staff will be responsible to notify the HCP of change of status in case a transfer to another health care facility is warranted.

5. DEFINITIONS:

a. Observation services are those services furnished by the health center on the health center premises, including the use of a bed and periodic monitoring by a health center's nursing or other staff, which are reasonable and necessary to evaluate an outpatient's

Proposed****This regulation supersedes MEDDAC Reg 40-400, dated 30 Mar 2000******

condition or determine the need for a transfer to another facility for an inpatient admission. Such services apply to observation patients only when provided by order of a physician or another individual authorized by health center medical staff bylaws to admit patients to the health center or to order outpatient tests. Most observation services do not exceed 24 hours. Observation services should not be a substitute for medically appropriate inpatient care.

b. Observation patients are outpatients with acute or chronic medical problems who require monitoring or simple diagnostic evaluation. The decision to place a patient in an observation status is based on the simplicity, low-intensity, and short duration of the care required. Post-ambulatory surgical patients - patients who have undergone in-house procedures that require observation and will not be ready for discharge by 1600 Hours. Other examples include: non-surgical patients, hydration patients, and patients who require observation due to uncertain diagnosis, but do not have an acuity level warranting hospital admission. Some examples of patients normally excluded from being placed in an observation status are: (1) patients considered critical or unstable; (2) psychiatric or depressed patients; (3) diabetic ketoacidosis patients; and (4) unconscious patients.

6. GENERAL.

a. Hours of operation. The Ambulatory Surgical Center, ASC, at Munson will be open for observation patients Monday through Friday form 0600 to 1600. On Thursdays, if there is a planned overnight stay for a postoperative patient, the Ambulatory Surgical Center is staffed for 24-hour operations and can accept observation patients overnight. Patients that require further care after 1600,except as above on Thursdays, or on weekends will be sent to another health care facility.

b. Placement in an observation status. Authorized health care providers (HCP) may place patients in an observation status when the following requirements are met:

(1) Written HCP orders prepared for placement in an observation status.
(2) HCP documentation prepared, addressing diagnosis or reason for placement in an observation status.
(3) Written HCP orders prepared for patient care and other therapeutics interventions during anticipated observation stay.
(4) HCP must determine final disposition.
(5) If care must be extended past the operating hours of the ASC, the HCP will document in the patient's chart the reason for the extension and will make arrangements for transfer to another facility. These cases will be placed on 24 hour report and be reviewed by the Deputy Commander for Nursing, the Deputy Commander for Clinical Services, the commander of the health center and the director of Quality Management in morning report.

7. MEDICAL RECORDS.

a. Documentation for the observation patient must meet the standards for a short-term stay (abbreviated medical record/ambulatory record enhanced) and must comply with current Joint Commission of Accreditation of Healthcare Organizations (JCAHO) documentation standards. Medical forms in Army Regulation 40-66, Medical Records Administration, or locally devised forms are authorized for use in observation records. Each patient must arrive at the ASC with signed history and physical and doctor's orders covering all necessary treatment and procedures. The ASC is responsible for initiating, completing and returning to patient records the applicable forms listed in Appendix A, Section IV.

b. At a minimum, the documentation in the medical record will include:

(1) Observation cover sheet to document completion of the extended ambulatory record (ARE)
(2) Privacy Act Statement
(3) Significant medical history and results of physical examination
(4) Doctors orders
(5) Progress notes which will reflect periodic patient assessment, monitoring any interventions performed, and final disposition.
(6) All diagnostic reports; e.g., laboratory, radiology, or electrocardiogram
(7) Patient education, release instructions, and plan for follow-upcare.
(8) Advance medical directives

c. Medical Records Maintenance and Retirement. All documentation related to an observation stay will be filed in a separate DA 3444, Terminal Digit File for Treatment Record, series folder, which will be called the Ambulatory Record Enhanced (ARE). The medical documentation will not be integrated into the health/outpatient treatment record, except for copies of pertinent summary information, as follows:

(1) Release note with summary of pertinent diagnostic findings.
(2) Status of patient upon release.
(3) Release instructions with plans for follow-up care.
(4) Minimal Care documentation will be forwarded directly to the outpatient record room for incorporation into the HREC.

The ARE will be filed in the APV (or ARE) record room. The retirement process for inpatient records will apply to the ARE in accordance with AR 25-400-2, The Modern Army Record keeping System (MARKS).

8. MEALS. Observation patients are not admissions to the MTF, therefore, the inpatient surcharge (subsistence/family member) rate for active duty, retirees, or family members will not be charged. The charges for meals will be at the applicable meal rate or use of

the meal card. Delivery of meals to patients in the observation unit or minimal care may be required. In certain cases food and beverage items provided in the observation unit will be considered part of the medical treatment (oral challenge) and do not require payment from the beneficiary. Normally, limited items or no more than the equivalent of one meal will be used to meet the oral challenge.

9. CODING. The AES form is coded utilizing the appropriate International Classification of Diseases - Ninth Revision - Clinical Modification (ICD-9-CM) diagnoses, HICPICS, Out-patient Encoder Group Program and the CPT procedures relevant to the status of the observation patient.

10. BILLING PROCEDURES FOR THIRD PARTY COLLECTIONS PROGRAM (TPCP). Observation patients will be billed the TPCP rate applicable to the MEPRS code.

11. ACCOUNTABILITY. A roster of personnel placed/being monitored in the observation unit must be maintained on file at all times. The procedures used for accounting for ambulatory procedure visit patients can be used to account for observation patients. The ward rules for observation patients are commensurate with the rules for inpatients. Information desk clerk will be provided a copy of this roster.

12. WORLDWIDE WORKLOAD REPORT (WWR) AND MEDICAL EXPENSE AND PERFORMANCE REPORTING SYSTEM (MEPR). The official biostatistical collection of observation workload is the ADS. For ADS and MEPRS accounting purposes, observation patients will be identified using the patient's outpatient specialty code.

13. MANAGEMENT OF WORKLOAD CREDIT. The ASC/Observation Unit will input patients in the ASC/Observation database under the appropriate observation clinic code. (i.e., FP –BGAO; IM – BAAO; OB/GYN – BCBO; Gen Surg – BBAO; and Ortho – BEAO) This database provides a comprehensive summary of the care rendered for the entire interval of care and is forwarded to health center's POC for MEPRS. If the same specialty manages the care of the patient during the observation stay, only one clinic code is used.

NOTE: Outpatient workload should be captured in the appropriate clinics. A minute of service is the performance factor in the observation unit – service will begin when the patient enters and end when they leave. Documentation for the start and stop times is found on DA Form 4700-2C-OP-159, 1 March 1998. Example: If a patient has had a surgical procedure and the surgeon has requested patient be kept overnight for observation, the start time for observation will begin once the patient has been released by the recovery room. MEPRS is broken down into DOD standardized sub account work centers and further broken out by specialty. These work centers incur costs by tracking

workload, minutes of service and FTE's. Examples of sub accounts are: DFBA – Surgical Suite (OR); DFAA – Anesthesiology; DGEA – Ambulatory Nursing Service; DGAA – MEDDAC Reg 40-400

Ambulatory Procedure Unit; DFCA – Recovery; DGEB – Observation. These sub accounts can be broken down further by specialty (i.e., DGEB breaks out into Family Practice - BGAO or Gen Surg – BBAO).

The proponent of this regulation is COD. Users are invited to send comments and suggested improvements on DA Form 2028, Recommended Changes to Publications and Blank Forms, directly to Commander, USA MEDDAC, ATTN: MCXN-PAD, Fort Leavenworth, Kansas 66027-2332.

(MCXN-COD)

FOR THE COMMANDER:

OFFICIAL

John M. Gaal
LTC, MS
Deputy Commander for
Administration

Michael A. Orechio
CPT, MS
C, Information Management
Division

Appendix A

References

Section I
Required Publications

AR 25-400-2
The Modern Army Recordkeeping System (MARKS)

200-2001 Comprehensive Accreditation Manual for Ambulatory Care of the Joint Accreditation Commission of Healthcare Organizations

Section II
Related Publications

AR 30-1
The Army Food Service Program

AR 40-66
Medical Record Administration

Section III
Prescribed Forms

This section contains no entries.

Section IV
Referenced Forms

DA Form 4700-2C-OP-159, 1 March 1998
Patient Assessment Flow Sheet

MEDDAC Reg 40-400

Glossary

Section I
Abbreviations

AR
Army Regulation

DA (forms)
Department of the Army

DD (forms)
Department of Defense

MEDDAC
US Army Medical Department Activity

MTF
Medical Treatment Facility

MARKS
The Modern Army Record keeping System

SF (forms)
Standard Forms

Section II
Terms

This section contains no entries

Section III
Special Abbreviations and Terms

ADS
Ambulatory Data System

AES
Ambulatory Encounter Summary

ARE
Ambulatory Record Enhanced

ASC
Ambulatory Surgical Center

MEDDAC Reg 40-400

CPT (codes)
Current Procedure and Terminology

HCP Health Care Provider(s)

HREC
Health Record

ICD-9-CM
International Classification of Diseases-Ninth Revision-Clinical Modification.

JCAHO
Joint Commission on Accreditation of Healthcare Organizations

LOS
Length of Stay

MEPRS
Medical Expense and Performance Reporting System

PAD
Patient Administration Division

SM
Service Member

TPCP
Third Party Collections Program

WWR
Worldwide Workload Report